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Viewing cable 06MANAGUA841, VENEZUELA NOW USING FERTILIZER TO GROW SUPPORT FOR

If you are new to these pages, please read an introduction on the [structure of a cable](#) as well as how to [discuss them](#) with others. See also the [FAQs](#)

Understanding cables

Every cable message consists of three parts:

- The top box shows each cables unique reference number, when and by whom it originally was sent, and what its initial classification was.
- The middle box contains the header information that is associated with the cable. It includes information about the receiver(s) as well as a general subject.
- The bottom box presents the body of the cable. The opening can contain a more specific subject, references to other cables ([browse by origin](#) to find them) or additional comment. This is followed by the main contents of the cable: a summary, a collection of specific topics and a comment section.

To understand the justification used for the classification of each cable, please use this [WikiSource](#) article as reference.

Discussing cables

If you find meaningful or important information in a cable, please link directly to its unique reference number. Linking to a specific paragraph in the body of a cable is also possible by copying the appropriate link (to be found at the paragraph symbol). Please mark messages for social networking services like Twitter with the hash tags **#cablegate** and a hash containing the reference ID e.g. **#06MANAGUA841**.

Reference ID	Created	Released	Classification	Origin
06MANAGUA841	2006-04-17 21:26	2011-08-30 01:44	SECRET	Embassy Managua

Appears in these articles:

<http://www.nacion.com/2011-05-30/Mundo/NotasSecundarias/Mundo2758456.aspx>
<http://www.nacion.com/2011-05-30/Mundo/NotasSecundarias/Mundo2758467.aspx>
<http://www.nacion.com/2011-05-30/Mundo/NotasSecundarias/Mundo2758468.aspx>
<http://www.nacion.com/2011-05-30/Mundo/NotasSecundarias/Mundo2758464.aspx>
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<http://www.confidencial.com.ni/articulo/4102/estrada-y-la-ldquo-doble-cara-rdquo-ante-ee-uu>
<http://www.confidencial.com.ni/articulo/3966/la-ldquo-injerencia-rdquo-de-ee-uu-en-el-2006>
<http://www.nacion.com/2011-05-23/Mundo/Relacionados/Mundo2758764.aspx>
<http://www.nacion.com/2011-05-23/Mundo/NotaPrincipal/Mundo2758753.aspx>
<http://www.confidencial.com.ni/articulo/4041/millones-de-dolares-sin-control-y-a-discrecion>
<http://www.confidencial.com.ni/articulo/4040/la-ldquo-injerencia-rdquo-de-venezuela-en-2006>
<http://www.confidencial.com.ni/articulo/4047/rodrigo-barreto-enviado-de-ldquo-vacaciones-rdquo>
<http://www.nacion.com/2011-05-16/Mundo/NotasSecundarias/Mundo2757239.aspx>
<http://www.nacion.com/2011-05-16/Mundo/NotaPrincipal/Mundo2746658.aspx>
<http://www.nacion.com/2011-05-16/Mundo/Relacionados/Mundo2757244.aspx>
<http://www.nacion.com/2011-05-16/Mundo/Relacionados/Mundo2746673.aspx>
<http://www.confidencial.com.ni/articulo/3991/dra-yadira-centeno-desmiente-cable-diplomatico-eeuu>
<http://www.confidencial.com.ni/articulo/3968/pellas-pronostico-a-eeuu-victoria-de-ortega-en-2006>
<http://www.confidencial.com.ni/articulo/3967/barreto-era-ldquo-fuente-confiable-rdquo-para-eeuu>

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TO RUEHC/SECSTATE WASHDC 5984
INFO RUEHZA/WHA CENTRAL AMERICAN COLLECTIVE
RUEHCV/AMEMBASSY CARACAS 0615

S E C R E T MANAGUA 000841

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E.O. 12958: DECL: 04/12/2016
TAGS: [ECON](#) [ENRG](#) [EFIN](#) [PGOV](#) [NU](#) [PREL](#) [SOCI](#) [VE](#) [CU](#) [EPET](#)
EAGR
SUBJECT: VENEZUELA NOW USING FERTILIZER TO GROW SUPPORT FOR
FSLN IN NICARAGUA

REF: A. MANAGUA 2613

- [1](#)B. MANAGUA 2599
- [1](#)C. MANAGUA 1944
- [1](#)D. MANAGUA 1577
- [1](#)E. MANAGUA 1333

Classified By: AMBASSADOR PAUL TRIVELLI FOR REASONS 1.4 (a & b)

[1](#)1. (SBU) Summary: In only the latest example of Bolivarian Republic of Venezuela (BRV) efforts to bolster the Sandinista Front Party (FSLN) in Nicaragua's 2006 national elections, 11,260 metric tons of urea have been sent for distribution by a Sandinista Cooperative to the rural poor as part of an eventual provision of 50,000 tons. Several of the FSLN's opponents claim that the urea is part of a US \$50 million electoral aid package for the FSLN by the BRV. While post cannot verify that figure, other BRV assistance includes still theoretical reduced-price oil, funding of a Cuban-administered literacy campaign, and free medical care for poor Nicaraguans. While presented as benign economic and social aid, these donations are managed by FSLN-run municipalities and announced with FSLN leader Daniel Ortega and the Venezuelan ambassador on hand.

[1](#)2. (S) Summary Continued: USG sources also have evidence of direct campaign assistance from Venezuela, such as the financing of three helicopters for use by the FSLN and an underground network of cash payments. Local executives of ESSO (Exxon Mobile) who run Nicaragua's only oil refinery also suspect that Venezuela's oil politics are aiming to drive them out of the country, paving the way for Venezuela to purchase the refinery at a bargain price. Although Venezuelan election activities in Nicaragua present a cause for real concern, the Liberal Constitutionalist Party (PLC) is attempting to increase USG alarm about improper influence by the Chavez government to weaken our resolve in calling for an end to the party's control by convicted ex-president Arnoldo Aleman. End Summary.

[1](#)3. (U) Over the last week, local press has covered claims by representatives of various political parties in Nicaragua that Venezuela plans to spend US \$50 million to bolster the FSLN's chances of winning the November national elections. The PLC and Sandinista-breakaway party Herty 2006 have been most vocal. Both the FSLN and Venezuela's ambassador to Nicaragua deny allegations of direct political interference. Sandinista Front leader, Daniel Ortega, and the BRV have, however, proudly trumpeted several "humanitarian" programs offered by the BRV and administered by FSLN mayors.

[1](#)4. (S) Sandinista Front opponents have not offered concrete information as to how they arrived at the \$50 million figure.

They do argue that the fuel and urea offered by the BRV give the FSLN the opportunity to both benefit politically from making these products available below cost and to convert the profits into cash for electioneering. While post has no specific information about the \$50 million figure, it is clear that the BRV is providing direct financial assistance to the Sandinista Front. USG sources have verified that the Chavez government is paying for three helicopters and fuel for use by the FSLN in election activities. Also, sources assert that several FSLN party officials frequently travel to Venezuela and return with large sums of cash.

15. (C) Recent press reports state that the BRV plans to donate 50,000 tons of urea (a powdered fertilizer/animal feed obtained by the reaction of liquid ammonia and liquid carbon dioxide from petroleum processing) for distribution to the rural poor of Chinandega and Corinto by the Sandinista Agricultural Services Cooperative (Nicaraocoop). While some claims of Venezuelan support in the past have proven nebulous, the urea delivery is proceeding quickly. In an April 12 telephone conversation, Luvy Perez, Director of Inspections for the Nicaraguan Customs Agency (DGI) confirmed that 11,260 metric tons of urea have already arrived from Venezuela and are ready for distribution to Sandinista-controlled municipalities. In a press report, the president of Nicaraocoop said that the urea is being provided below-cost rather than as a donation, although Sandinista officials called it a donation when they announced the program with great fanfare.

16. (SBU) Venezuela has also reportedly donated US \$10 million for a new literacy program developed by the Government of Cuba, to be run by local governments, called "Yo Si Puedo" ("Yes I Can"). While now technically open to any city in Nicaragua (in order to receive GON permission to operate), it was originally only offered to FSLN-controlled local

governments and only those governments are now participating.

REFTEL C reported that the GON had planned to deny the Sandinista-oriented Augusto C. Sandino Foundation (FACS) permission to import equipment needed for the program. Recent press reports, however, state that the GON capitulated and the materials have entered. The equipment consists of 5,000 televisions, 5,000 VCRs and a large amount of training materials (including 500,000 workbooks). The estimated cost of the three-year program is US 21.6 million. The Office of the Mayor of Managua has begun airing television commercials to hype the program and the Office of the Mayor of Masaya has posted "Yo Si Puedo" billboards.

17. (U) The FSLN and the BRV have received a great deal of media attention for the announced deal to sell or loan below-market priced oil to Sandinista Municipalities (REFTELS B and E). In fact, versions of the deal have been announced multiple times. Despite the political benefit derived from the hoopla, technical issues have prevented the deal's implementation.

18. (C) On the other hand, Venezuela's oil politics in Nicaragua may have an even more nefarious purpose. During the recent agitation for an extra confiscatory tax on oil companies to subsidize the transport system, the manager of the Esso refinery, which operated throughout the years of Sandinista government without being confiscated, raised the possibility to the Ambassador that behind-the-scenes forces might be angling to maneuver his company out of Nicaragua. If ExxonMobil were to be placed in a position where all of their Nicaraguan profits were taxed away, he explained, they might see no alternative to closing down operations here, leaving Nicaragua's only petroleum refinery available, no doubt at a sale price, to another entrant - quite possibly a Venezuelan one.

19. (U) The BRV has also announced plans to provide surgical care in Venezuela for 3,000 people from Nicaragua. This program would be administered by the FSLN-run Office of the Mayor of Managua. In addition to the medical care, the BRV will pay for airfare, room and board. The first 120 patients

are slated to travel to Venezuela this week.

¶10. (C) Novis Rosales, Executive Director of the Liberal Patriotic Mayors Association (ASALPAT) informed poloff on April 17 that 25 PLC mayors recently received an offer from the Venezuelan ambassador to participate in a city exchange program with mayors in Venezuela. The offer includes an all expense-paid tour of Venezuela, including a charter flight from Managua. Rosales stated that he reported the plan to PLC president Jorge Castillo Quant, who categorically rejected the offer as a publicity stunt of Venezuelan president Hugo Chavez. Rosales and Castillo Quant believe that Chavez would use the event to deflect charges that the Venezuelan government is unfairly favoring FSLN mayors with donations during an election year. Castillo Quant instructed Rosales to make sure that PLC mayors avoid any appearance of cooperating with the Venezuelan government.

¶11. (SBU) Comment: Venezuela is clearly pulling out all the stops to assist the FSLN in this critical election year. Sandinista opponents and much of the media have pointed out the hypocrisy of those who criticize U.S. "interference" and yet allow Venezuela play a direct role in assisting a specific Nicaraguan political party. The PLC, however, has a special motive to foster USG fears of improper Venezuelan influence. The PLC likely hopes that alarm over BRV interference will lead the United States to curb its criticism of ex-president and PLC leader Arnolfo Aleman, who was convicted for defrauding the GON of US \$100 million and money laundering. End Comment.
TRIVELLI